GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Loans - APIIC – Permission to APIIC Ltd., to borrow fresh term loan for Rs.2,000 Crores against Government Guarantee for both principal and interest component – Accorded - Orders - Issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 37 Dated: 21-07-2020

Read the following:

1.G.O.Ms.No.189, Ind & Com (Infra) Dept, dt.26.12.2016.
2.G.O.Ms.No.39, Ind & Com (Infra) Dept, dt.07.02.2017
3.G.O.Ms.No.56, Ind & Com (P&I) Dept, dt.26.04.2017.
4.G.O.Ms.No.83, Ind & Com (Infra) Dept, dt.06.06.2017.
5.G.O.Ms.No.125, Ind & Com (Infra) Dept, dt.14.09.2017
6.From the VC & MD, APIIC Ltd., Single File No.APIIC-11047/1/2020-CGM-FIN-APIIC, dt.17.03.2020.

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ORDER:

In the reference 1st read above, orders were issued granting Government guarantee for the HUDCO loan of Rs.2,000 Crores brought by APIIC and authorizing the Board of Directors of APIIC Ltd., to borrow money up to Rs.5,000 Crores from time to time for land acquisition.

2. In the reference 2nd read above, orders were issued constituting a Committee with the following Officers for calling expression of interest from Banks and Financial Institutions and to negotiate the terms & conditions of the loans for the loan requirement of APIIC and to explore all alternate sources of low cost loan in place of the HUDCO loan:

(i) Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited, Vijayawada.

(ii) Additional Secretary to Government, Finance (PMU-Rev-I&C) Department; and

(iii) Chief Executive Officer, A.P. Urban Infrastructure Asset Management Ltd., Vijayawada.

3. In the reference 3rd read above, orders were issued extending various incentives and infrastructure support to M/s.Kia Motors Corporation (KMC) for establishment of a manufacturing unit at Erramanchi (V), Penukonda (M), Ananthapuramu District based on the recommendations of SIPB in its meeting held on 21.04.2017.

4. In the reference 4th read above, orders were issued granting Government guarantee for the principle amount of Rs.2,000 Crores and interest accrued thereon including moratorium period separately in favour of Bank of India (Rs.750.00 Crores @ 8.50% yearly reset), Canara Bank (Rs.750.00 Crores @ 8.50% yearly reset)&Union Bank of India (Rs.500.00 Crores @ 8.60% 3 yearly reset) duly replacing the Government guarantee issued in favour of HUDCO vide G.O. 1st read above.

5. In the reference 5th read above, orders were issued permitting the APIIC Ltd., to incur the amount for concession on land cost and for infrastructure facilities to a tune of Rs.450.29 Crores (includes the amount of Rs.28.83 Crores towards Seignorage charges) in respect of M/s.Kia Motors Corporation (KMC) and also to clear the backlog incentives from out of the Government guarantee amount of Rs.2,000 Crores.

(P.T.O.)

6. In the reference 6th above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., has submitted that the earlier loan amount borrowed by APIIC was utlisied for non-commercial activities based on the directions of Government and hence, APIIC is in piquant situation as no returns are forthcoming due to which, the financial statements of APIIC are showing a negative account. Further stated that APIIC is committed to create a world class infrastructure and other Industrial space including creation of 30 Lakh Sq.ft. of space as also encourage creation of MSME PARKS Etc., together to faster Industrial growth in the State. Further, APIIC is not only developing Industrial infrastructure but also external connectivity. He has therefore requested the Government to issue Government guarantee to avail fresh term loan.

7. Government, after careful examination of the matter here by permit the APIIC to borrow fresh term loan for Rs.2,000 Crores from banks/financial institutions against Government Guarantee for both principal and interest component, subject to usual terms and conditions for extending Government Guarantee.

8. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada shall take further necessary action in the matter accordingly.

9. This order issued with the concurrence of Finance (C&DM) Department vide their U.O.No.Fin01-BUGT0BL(IL)/2/2020-CDM, (C.No.1085083), dt.05.03.2020.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Plot No.1, IT Park, Mangalagiri, Guntur District, A.P - 522 503.

Copy to:

The G.A. (Cabinet) Department, A.P. Secretariat, Velagapudi. (with reference to U.O.No.97/2020, dt.16.07.2020.)
The Finance (C&DM) Department, A.P. Secretariat, Velagapudi.
The P.S. to Additional Secretary to C.M., CMO, A.P. Secretariat, Velagapudi.
The P.S.to Spl. C.S. to Government & CIP, Ind & Com Department.
SF/SC.

//FORWARDED : : BY ORDER//

SECTION OFFICER